



**Arjan & another v Anti-Counterfeit Authority & another (Commercial Case E286 of 2024)
[2024] KEHC 14285 (KLR) (Commercial and Tax) (14 November 2024) (Ruling)**

Neutral citation: [2024] KEHC 14285 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)
COMMERCIAL AND TAX
COMMERCIAL CASE E286 OF 2024
AA VISRAM, J
NOVEMBER 14, 2024**

BETWEEN

NARAN VELJI ARJAN 1ST PLAINTIFF

NEELCON CONSTRUCTION SERVICES LTD 2ND PLAINTIFF

AND

ANTI-COUNTERFEIT AUTHORITY 1ST DEFENDANT

DAN ODUOR JUMA TRADING AS MY RUSTIC PLACE 2ND DEFENDANT

RULING

1. I have considered the notice of Motion Application dated 27th May, 2024, together with the affidavit sworn in support of even date and the replying affidavits sworn in opposition to the same sworn on 19th June, 2024, and 8th July, 2024, the submissions of the parties, and the applicable law.
2. In summary, the Application seeks the following orders:-
 - a. injunctive orders restraining the first Defendant from seizing or interfering with the Plaintiff's goods listed in form ACA 2 No. 0060 dated 2 May 2024, the inventory of Plaintiff seize goods;
 - b. A further prayer pending the hearing and determination of the application that a declaration issue to the effect that all the said goods are not counterfeit, and be unconditionally released to the Plaintiff's;
 - c. Orders of the court compelling the second Defendant from withdrawing its complaint lodged with the first Defendant in relation to the said goods; and
 - d. Police assistance to ensure compliance.



3. The Applicant submitted that the crux of the matter relates to an interpretation of section 2 of the *Industrial Property Act*. Counsel contended that the Plaintiff was raided by the 1st Defendant at the behest of the 2nd Defendant.
4. Counsel submitted that the 2nd Defendant had no basis to invoke the actions of the 1st Defendant, because the goods were not bought from him and there was no basis for his complaint or action.
5. In the Applicant's view, the actions of the Defendant were biased and this court has jurisdiction to remedy the same. In his view, the Defendants have mischaracterized the issues and the reasons for the raid, and that there was no basis for the seizure by the 1st Defendant of the goods belonging to the Applicant.
6. Finally, he submitted that all goods were purchased in good faith and for utilization in the hotel belonging to the Applicant. He was of the view that the court should look beyond Section 16 of the *Government Proceedings Act* and consider the harm and remedy sought.
7. The Respondent submitted, in summary, that the Plaintiff is seeking discretionary remedies before this court and has come to court with unclean hands. He pointed out that the Defendants made complete disclosure at the time of making the complaint, to the effect that the lady to whom payment was made was not a partner of the Applicant, but rather a stranger, on a frolic of her own.
8. The Respondent further submitted that the payment was not made as an innocent purchaser because the same offends the provision of Order 30, rule 1, of the Civil Procedure Rules. He contended that the lady, alleged partner, has been left out of the proceedings conveniently.
9. Finally, Counsel pointed out that an injunction cannot be issued against the Government. He submitted that the 1st Defendant is a criminal law agency and has a mandate under the law to perform certain duties.
10. Counsel submitted that no grounds have been put forward to warrant the grant of a mandatory injunction which requires special circumstances. He submitted that the Plaintiff has made a departure from his pleadings contrary to the rules of this court; and has not made out the grounds for an injunction.
11. In further opposition to the Application, the 2nd Defendant submitted in summary, that section 54 (1) of the *Industrial Property Act* ought to guide the court. His view was that the consumer and the user fall under the provision of Act, and the Plaintiff therefore, cannot be absolved of responsibility under the Act.
12. He explained that the defence of prior user put forward by the Plaintiff is a nonstarter at great length, and reiterated that the same requires good faith, which was not the case here because a third party was involved to circumvent the correct process. Details of the same are set out in the written submission and need not be replicated here.
13. Further, counsel pointed out that the Plaintiff is seeking final orders at an interlocutory stage. He reiterated the submission made by the 1st Defendant and affirmed the same.
14. Having considered the above, I note from the outset that the 1st Defendant is the Anti-Counterfeit Authority. It has a statutory mandate, as a government agency or regulatory body, pursuant to section 23 of the *Anti-Counterfeit Act* to investigate and confiscate counterfeit goods.



15. The alleged seizure and confiscation of the Applicants' goods are sanctioned by the [Anti-Counterfeit Act](#). The short title to the Act is very clear that it was intended as an Act of Parliament to prohibit trade in counterfeit goods, and for this reason to establish the Anti-Counterfeit Authority.
16. I take further note that its mandate is crucial in maintaining market integrity and protecting consumers from substandard products and infringement of intellectual property rights of traders. Further to the above, the 1st Defendant is a state corporation performing public duties of law enforcement on behalf and as part of, National Government.
17. In this regard, the applicable law is found at Order 29, rule 2 (2) (d) and section 16 of the [Government Proceedings Act](#) and set out the appropriate procedure.
18. The relevant part of Section 16 of the said Act states as follows:-

“Nature of relief

- (1) In any civil proceedings by or against the Government the court shall, subject to the provisions of this Act, have power to make all such orders as it has power to make in proceedings between subjects, and otherwise give such appropriate relief as the case may require:

Provided that—

- (i) where in any proceedings against the Government any such relief is sought as might in proceedings between subjects be granted by way of injunction or specific performance, the court shall not grant an injunction or make an order for specific performance, but may in lieu thereof make an order declaratory of the rights of the parties; and...”(emphasis mine)

19. Similarly, Order 29, rule 2 (2) states as follows:-

“(2) No order against the Government may be made under—

- (a) Order 14, rule 4 (Impounding of documents);
- (b) Order 22 (Execution of decrees and orders);
- (c) Order 23 (Attachment of debts);
- (d) Order 40 (Injunctions); and...”

20. Based on the law above, it is evident that this court may not issue an injunction against the 1st Defendant.
21. This position was buttressed in in the decision of the High Court in Alamin Sheikh Ahmed v Registrar of Lands Kilifi County [2022] KEELC 946 (KLR), where the court stated as follows:-

“In effect the Applicant wants the court to issue orders in vain against parties that are not joined in the suit. Further, Section 16 of the [Government Proceedings Act](#) provides for the nature of relief against the Government, and forbids the Court from issuing injunctive orders against the Government. The section reads as follows: -”(emphasis mine)



22. Similarly, in *George Albert Ambuga v Kajiado County Government & Wesley Kasuku Lesanjo* [2015] KEHC 5201 (KLR), the court stated:-
- “In civil proceedings however, the *Government Proceedings Act* (Cap 40) at Section 16 is rather explicitly. Such relief is not permitted against the government.” (emphasis mine)
23. In *Beyond Opinion Business Solutions Limited & another v Manji Food Industries Limited & 2 others* [2023] KEHC 17562 (KLR), the court stated:-
- “This Court concurs with the finding in the case of *Match Masters Limited v Kenafric Matches Limited & another* [2021] eKLR. The Court correctly observed that Counterfeiting as contemplated by statute is a criminal offence and while counterfeiting is by its very character trade mark infringement, all trade mark infringement is not counterfeiting. Counterfeiting is something more than trade mark infringement. ...The threshold to be reached in proving criminal counterfeiting is more involved than in proving non-criminal trade mark infringement.
- The prayer for stay of proceedings is sought under sections 1A, 1B and 3A of the *Civil Procedure Act* and Order 50 rule 1 of the Civil Procedure Rules. The short title to the *Civil Procedure Act* is clear that it is an Act of Parliament to make provision for procedure in civil courts. While the Commercial and Tax Division of the High Court is a civil court, the proceedings that the Applicants seek to stay are of a criminal nature. On this ground I am totally in agreement with the 3rd Respondent that this court lacks the requisite jurisdiction to stay the proceedings as prayed.”(emphasis mine)
24. Similarly, and guided by the law as stated above, this court has no jurisdiction to issue restraining orders sought under Order 40, of the Civil Procedure Rules, which is the ground upon which the present motion rests.
25. The Applicants’ submission which relate to orders of mandamus are not civil remedies but rather, are judicial review remedies, and are ordinarily exercisable under a courts special jurisdiction arising pursuant to judicial review. Such applications are made in accordance with specific provisions and criteria, and ordinarily require leave of the court prior to commencement of the same. Moreover, the said provisions have not been stated in the present Application as is required under Order 51, rule 10. Finally, and in any event, the High Court has a specific division created for the sole purpose of hearing and determining judicial review matters. This is not that division.
26. Finally, I am of the view that the question relating the authenticity of the goods may not be determined at an interlocutory stage, and without a full trial. The issue of whether goods are counterfeit or not, is a substantive matter that ought to be determined after a trial, and with the benefit of evidence adduced from both parties, including expert testimonies if necessary, and subject to cross-examinations.
27. Notably, the Intellectual Property Tribunal was created for that particular purpose and ought to have been the appropriate avenue for dispute resolution in the first instance, and not this court. I therefore decline to grant the prayers seeking interlocutory declarations concerning the authenticity of the seized goods at this stage.
28. Anti -counterfeit matters have a public interest element, in so far as the authority has a mandate to protect consumers and the market from counterfeit products. In my view, this interest outweighs the private interest of an individual, or company. Accordingly, I decline to make any orders releasing the subject goods pending satisfactory investigation by the Authority.



29. Finally, I find that the application is premature. Section 28 (1) of the Anti-Counterfeit Act allows the 1st Defendant three months statutory timeline to carry out its mandate in any action taken relating to infringement of intellectual property. Based on the record before me, the Plaintiffs filed the present matter in court on 28th May, 2024, twelve (12) days after the date of seizure of the goods on 16th May, 2024, thereby denying the 1st Defendant the required time to carry out its mandate and investigate the complaint.

30. Additionally, as stated the present matter is appropriate for resolution in the Intellectual Property Dispute Tribunal in the first instance, and accordingly, ought to be referred there. In this regard, in Speaker of National Assembly v Karume [1992] KLR 21, the court stated the following with regard to the doctrine of exhaustion:-

“Where there is a clear procedure for redress of any particular grievance prescribed by the Constitution or an Act of Parliament, that procedure should be strictly followed. Accordingly, the special procedure provided by any law must be strictly adhered to since there are good reasons for such special procedures.”

31. Based on the reasons above, I find that the Application is without merit, the same is dismissed with costs.

32. I further find and hold that the Plaintiff ought to have filed the present suit in the Intellectual Property Tribunal in the first instance in accordance with the doctrine of exhaustion. The suit, in my view, is not ripe for hearing in the present court and the same is stuck out with costs.

DATED AND DELIVERED VIRTUALLY VIA MICROSOFT TEAMS THIS 14TH DAY OF NOVEMBER 2024

ALEEM VISRAM, FCI Arb

JUDGE

In the presence of;

- For the 1st Plaintiff
- For the 2nd Plaintiff
- For the 1st Defendant
- For the 2nd Defendant

